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From: [redacted]@ports.je>
To: Lyndon Farnham <L.Farnham@gov.je> [redacted]@aviationbeauport.com>
Cc: [redacted]@gov.je>, [redacted]@gov.je>, [redacted]
Subject: RE: Aviation Fuel
Date: Wednesday, August 19, 2015 08:08 BST

Hi [redacted]

Taking your first point about the fuel tender, [redacted] & I did receive your email on Friday about your concerns and confusion with the documents. You will receive a reply to your email shortly. Given some of the respondents had a challenge to accessing the information on the portal during the opening week, we are extending the tender deadline by three weeks.

We have already received form of acknowledgement and secrecy declaration from 3 parties confirming their agreement to the process and deadlines. As you know these declarations are a prerequisite to parties wishing to participate in the tender and would encourage you to return these as soon as you can.

As for the other points in your email, [redacted]

In addition, you will I am sure appreciate that as we are in the process of an on-going tender for the fuel supply and operation at the Airport, it would be inappropriate for us to provide [redacted] with any information which might appear to provide [redacted] with any preference in that tender process, or appear to prejudice any other party wishing to participate.

[redacted]

In 2013, after receiving feedback from a number of our customers (both commercial and private) that the fuel prices in Jersey were comparably high, we began to look more closely at the market. [redacted] but unfortunately we were unable to obtain the information we needed in order to fully assess this.

[redacted]

[redacted]

To this end we initiated a study into the market by Arup in order to try to reach this understanding. [REDACTED]
[REDACTED] As this was an initial analysis, delivered in July 2013, we felt it was important to conduct a deeper dive into the market to understand precisely where the value was being extracted, and had Terms of Reference drafted for a fuller report. Events in 2014 overtook this second stage, and hence we never contracted this report.

What we had established at that time was that our primary aims for fuel supply at Jersey Airport was (in priority order):

1. Continuity of supply
2. Price to the customers
3. Value for the Airport

These priorities remain true today, and are guiding the current tender process. The main one, continuity of supply, is and has been the primary issue for Jersey Airport.

In parallel with this study, [REDACTED]
[REDACTED]

In January 2014, it became clear to us that in order to ensure continuity of supply, we needed to develop a contingency plan given the leases of the Airport Fuel Farm were expiring later that year.

We began developing our contingency plan in earnest in early 2014. We engaged ASIG/BBA, who are world leaders in independent operation of aviation fuelling at airports. We also took advice from London City Airport who had recently gone through a similar process.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

PoJ completed its acquisition of certain fuel farm assets on 02 October 2014, and the contingency operation commenced on that same day, ensuring no gap in provision, when FSCI ceased operations on that day.

[REDACTED]

[REDACTED] I am clear that PoJ's view of point 2 is consistent with a regulators' view of a market, and we have structured our tender to enable regular periodic testing of the market going forward.

Feedback from the market in respect of the fuel operation at Jersey Airport, it appeared that [REDACTED]
[REDACTED] Given the confidential commercial arrangements we could not be certain of the exact margin, but did feel at any of these margins [REDACTED]
[REDACTED]

[REDACTED]

I believe all of this is consistent with what we have said in the past, and that decisions taken by the Airport are designed with the best interest of the airport and our customers. When facing a strategic threat to the security of aviation fuel supply the airport, being a prudent operator, investigated and developed a contingency plan to ensure the continued supply of aviation fuel. Our contingency plan ensured no gap in aviation fuel supply, and the feedback from customers is that they have enjoyed reductions in fuel prices (both market related, and also operator related), making Jersey Airport a more attractive place to do business. The airport has also enabled an open and competitive process for the fuel operations which is underway.

I don't think I could explain the position any better [REDACTED]

Best regards,
[REDACTED]